

Asset Purchase Agreement (including but not limited to any claims under any applicable revenue, pension, ERISA, tax, labor, environmental or natural resource law, rule or regulation, or any products liability law) have been unconditionally released and terminated as to such Purchased Assets, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the act of all entities, including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of the Purchased Assets.

13. Each and every federal, state and local governmental agency, department or unit is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Asset Purchase Agreement, except the FCC as regards its approval of the transfer of the Licenses.

14. Except as expressly permitted or otherwise specifically provided for in the Asset Purchase Agreement or this Sale Order in respect of the Asset Purchase Agreement or the Purchased Assets to be transferred pursuant to such Asset Purchase Agreement, the Buyer shall have no liability or responsibility for any liability or other obligation of the Debtors arising under or related to such Purchased Assets and, to the extent allowed by law, the Buyer (and its officers, managers and members) shall not be liable for any other claims against the Debtors or any of their predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character whether known or unknown as of the Closing Date under the Asset

Purchase Agreement, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, other than the Permitted Encumbrances, arising prior to the Closing Date under the Asset Purchase Agreement, including, but not limited to, any liabilities under any revenue, pension, ERISA, tax, labor, environmental or natural resource law, rule or regulation, or any products liability law, arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' businesses prior to the Closing Date. After the Closing and the payment of the Purchase Price, the Buyer shall have no liability to the Debtors or their estates for any diminution in value or other damage of any kind whatsoever to the Regulated Assets or the Licenses that may result from the Buyer's operation of the Debtors' business.

15. This Court retains and shall have exclusive jurisdiction to endorse and implement the terms and provisions of the Asset Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith (including the Management Agreement) in all respects, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Purchased Assets to the Buyer, (b) compel delivery of the purchase price or performance of other obligations owed to the Debtors, (c) resolve any disputes arising under or related to the Asset Purchase Agreement, and (d) interpret, implement, and enforce the provisions of the Asset Purchase Agreement and this Sale Order.

16. The transactions contemplated by the Asset Purchase Agreement are undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale of any Purchased Assets shall not affect the validity of the Sale of such Purchased Assets to the Buyer, unless such authorization is duly stayed pending such

appeal prior to the Closing with respect to such Purchased Assets. The Buyer is a purchaser in good faith of the Purchased Assets, and the Buyer is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

17. The terms and provisions of the Asset Purchase Agreement and this Sale Order shall be binding in all respects upon, and shall inure to the benefit of, the Debtors, their estates, and their creditors, the Buyer and their respective affiliates, successors and assigns and any affected third parties (including, but not limited to, all persons asserting Interests in the Purchased Assets to be sold to the Buyer pursuant to the Asset Purchase Agreement), notwithstanding any subsequent appointment of any trustee(s) under any chapter of the Bankruptcy Code, as to which trustee(s) such terms and provisions likewise shall be binding.

18. The failure specifically to include any particular provisions of the Asset Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Asset Purchase Agreement be authorized and approved in its entirety. To the extent that any provision of this Sale Order is inconsistent with the Asset Purchase Agreement or the Management Agreement, the terms of this Sale Order shall control.

19. The Asset Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Debtors' estates and is, if occurring prior to the Closing Date, approved by counsel for each of the Creditors' Committee, the agent for the lenders under the Pre-Petition Credit Agreement, and the agent for the lenders under the DIP Credit Agreement. The Debtors shall also notify counsel for Lucent of any

modification, amendment or supplement to the Asset Purchase Agreement and, if such modification, amendment or supplement impairs or adversely affects Lucent's rights as a secured creditor in these chapter 11 cases, shall obtain Lucent's prior consent thereto.

20. The transfer of the Purchased Assets pursuant to the Asset Purchase Agreement, and the transactions contemplated thereby constitute steps toward the formulation, or in anticipation of the formulation of, a chapter 11 plan for the Debtors and as such, in accordance with section 1146(c) of the Bankruptcy Code, the making or delivery of any instrument of transfer to effectuate the Asset Purchase Agreement and the transactions contemplated thereby shall not be taxed under any law imposing a stamp tax or a sale, transfer or any other similar tax, and the recordation of any instruments (including bills of sale, leases, assignments and amendments thereto) to evidence the Sale of the Purchased Assets shall not be subject to any such tax.

21. All of the Debtors' interests in the Purchased Assets to be acquired by the Buyer under the Asset Purchase Agreement shall be, as of the Closing Date and upon the occurrence of the Closing, transferred to and vested in the Buyer. Upon the occurrence of the Closing, this Sale Order shall be considered and constitute for any and all purposes a full and complete general assignment, conveyance and transfer of the Purchased Assets acquired by the Buyer under the Asset Purchase Agreement and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the Purchased Assets acquired by the Buyer under the Asset Purchase Agreement to the Buyer.

22. As of the Closing Date, the Buyer shall be hereby granted immediate and unfettered access to the Purchased Assets (other than the Licenses) acquired by the Buyer.

Regulatory Transition Process

23. The Debtors and the Buyer shall have a period (the "Regulatory Compliance Period") of one hundred-twenty (120) days (subject to extension) from the Closing Date to obtain the requisite federal and state regulatory approvals necessary to operate the Business and to enter into contractual or other legal arrangements necessary for the consummation of the Sale, transfer of the Licenses and the Regulated Assets (as defined below) to the Buyer and the operation of the Purchased Assets by the Buyer (the "Compliance Items"). In order to ensure the uninterrupted provision of services to the Customers during the Regulatory Compliance Period, and the orderly transfer of the Licenses and, to the extent required by any other applicable law, any other assets subject to similar transfer restrictions (the "Regulated Assets") to the Buyer, the Buyer, the Debtors and all providers of goods and services to the Debtors, including but not limited to the common carrier service providers that provide services to the Debtors and any landlords of properties used by the Debtors (the "Service Providers") are hereby authorized and directed as follows:

a. As soon as practicable following the entry of this Sale Order, the Debtors and the Buyer are directed to file such applications as are required to seek the federal and state regulatory authority necessary for the Debtors to assign, and the Buyer to acquire, own and operate, the Licenses and the Regulated Assets.

b. On the Closing Date, the Buyer and the Debtors are directed to enter into a Management Agreement substantially in the form appended as Exhibit E to the Asset Purchase Agreement, pursuant to which the Buyer shall be entitled to manage and operate the business of the Debtors during the Regulatory Compliance Period on the terms and conditions set forth therein.

c. From the Closing Date to the Cutoff Date, all agreements and other arrangements with Service Providers relating to the Debtors providing service to Customers shall, subject to compliance with paragraph (d) below, remain in effect and

may not be canceled or terminated, and absent an event of default occurring after the Closing Date in respect of facts arising after the Closing Date that has not been cured within three (3) business days after written notice (by email and facsimile) thereof has been received by the Buyer (Attention: Chief Financial Officer, email: steveb@corp.idt.net, facsimile: 973-438-1414, and McDermott, Will & Emery, Attention: David C. Albalah, Esq., email: dalbalah@mwe.com, facsimile: 212-574-5444), no Service Provider shall reduce or otherwise alter in any adverse manner its performance under any such agreement(s) or arrangement(s) until the Cutoff Date.

d. The Buyer shall be responsible for, and is directed to pay on a timely basis, all charges incurred for services used by the Debtors to provide services to the Customers from the Closing Date to the Cutoff Date, including all charges incurred with respect to Service Providers. The rates charged by Service Providers for such services shall not exceed the rates for those services in effect as of the date of this Sale Order. Neither the Debtors or Buyer shall have any obligation or liability for services not actually being utilized and each Service Provider shall, upon written notice from the Debtors and the Buyer, immediately and without charge or further liability of any kind discontinue and disconnect any such services provided to the Debtors and/or the Buyer.

e. The Buyer is further authorized to promptly establish such contractual or other legal arrangements as the Buyer and the Debtors deem necessary to operate the Debtors' assets and to provide service to Customers (including interconnection and other common carrier service agreements with Service Providers) and that will permit Buyer to provide service to Customers in a manner similar to the manner in which the Debtors provided such service prior to the date of this Sale Order and that will enable the Customers to continue to receive service in an uninterrupted and transparent manner.

f. During the 120-day period commencing on the Closing Date, in the event that any contract with any Service Provider that is a telecommunications carrier shall be rejected: (i) no termination liabilities shall arise; (ii) such telecommunications carrier

shall provide telecommunications services in accordance with, and to the extent required by, applicable law in a non-discriminatory manner; and (iii) such telecommunications carrier will charge the Buyer for replacement circuits the lower of actual costs and tariff rates to set up or establish such replacement circuits.

24. The Buyer is hereby directed to pay all costs of the ongoing operations of the Business in accordance with the Management Agreement. The Buyer shall have the ability during the Regulatory Compliance Period to direct the Debtors to seek the entry of one or more orders of the Court authorizing the Debtors to assume and assign to the Buyer any executory contract or unexpired lease to which the Debtors are a party, provided that the Buyer shall be solely responsible for paying any cure payment that is payable in connection with any such assumption and assignment. The Buyer shall have the ability during the Regulatory Compliance Period to direct the Debtors to reject any executory contract or unexpired lease to which the Debtors are a party provided that the Buyer must elect whether to assume and assign or reject any contracts with the GSA and must provide written notice of such election to the GSA on or before January 2, 2002. The Debtors may effect any such rejection by delivery of two (2) business days prior written notice (and the irrevocable waiver of the right to withdraw such notice) to the non-Debtor party to any such executory contract or unexpired lease of the Debtors' unequivocal intent to reject such executory contract or unexpired lease. In the event that the Buyer elects to reject any contract on account of which a prepayment has been made pursuant to Section 3.1(a) of the Management Agreement, the counterparty to such contract shall be obligated to refund promptly to the Buyer (without setoff or counterclaim) the unused portion of such prepayment and in the event of any dispute with respect thereto, the Buyer reserves the right to seek adjudication in the Bankruptcy Court. In the event that the Buyer elects rejection of

some or all of Debtors' contracts with the GSA, the Buyer agrees that it will continue to provide telecommunications services to GSA until GSA has received sixty (60) days' notice of discontinuance, or such longer period as the FCC requires. In all other respects, the Buyer shall manage the operations of the Business and shall be responsible for such operation pursuant to the terms and subject to the conditions of the Asset Purchase Agreement and the Management Agreement. The period within which the Debtors may elect to assume or reject unexpired leases of nonresidential real property under Bankruptcy Code section 365(d)(4) is hereby extended through the duration of the Term.

25. Upon receipt of the required regulatory approvals and establishment of the necessary service agreements and arrangements, the Debtors are authorized to convey the Licenses and the Regulated Assets to the Buyer, in accordance with the terms and conditions of the Asset Purchase Agreement and the Management Agreement.

26. As provided by Rules 6004(g) and 6006(d) of the Federal Rules of Bankruptcy Procedure, the effectiveness of this Sale Order shall not be stayed for 10 days after entry on the docket and shall be effective and enforceable immediately upon such entry. The Buyer and the Debtors shall consummate the Sale as promptly as is practicable following Court approval of this Sale Order, so long as no stay of this Sale Order has been entered and is continuing.

Dated: Wilmington, Delaware
December 19, 2001



HONORABLE JOSEPH J. FARNAN, JR.
UNITED STATES DISTRICT JUDGE

EXHIBIT A

Description of Lab Equipment

The following equipment currently is located at the Winstar lab facility, 2545 Horse Pen Road, Herdon, Virginia (the "Winstar Lab").

1. Metropolis "evaluation" configuration description --

- a. Metropolis 4500 System consisting of 1 Large Service Shelf, a High Speed optical Shelf and associated circuit packs;
- b. Metropolis 2500 system consisting of a Large Service Shelf and associated circuit packs;
- c. Metropolis 2000 system consisting of a Service Shelf and associated circuit packs.

The systems are installed in two seven foot equipment racks in the Winstar Lab.

2. AnyMedia "evaluation" configuration description --

- a. AnyMedia Access Unit consisting of common circuit packs & associated interface circuit packs;

- b. Breakdown for AnyMedia:

FAC 100 S1:1 SL1EJDCAA
FAC 100 S1:1 SLC1EJDCAA
COM100 S2:2 SLC1CGLCAA
COM100 S2:3 SLC1CGLCA8
DTP100 S1:1 SLC1DH0CAA
DTP101 S1:2 SLC1DHKCAB
LPA380 S3:3 E51SFBAAAA
LPA300 S1:1 SLCUVR0BAA
LPA380 S3:3 E51SFBAAAA
LPU 116 S2:3 SN980CD9535221. 107743536002 ESPQAYKAA
Two tip ring cables - new
Two T-1 Cables pieced together from parts
Power cables

The trial configuration is a shelf mounted within a single seven foot equipment rack.

EXHIBIT B

Description of Accounts

Account	Account Number
Fleet Bank Investment Account	9427772529
Fleet Bank Investment Account	9428385707
State Street Investment Account	3274457
State Street Investment Account	3324773
Fleet Bank Disbursement Account	9427772510
Fleet Bank Disbursement Account	9428385694

DISCLOSURE SCHEDULE
to the
ASSET PURCHASE AGREEMENT

among

IDT Winstar Acquisition, Inc.,

Winstar Communications, Inc.

and

Certain of its Subsidiaries Set Forth on Appendix I

Dated as of December 18, 2001

The complete Disclosure Schedule is included in the Public
Interest Statement, Attachment 2 to this Application, Exhibit A.

EXHIBIT 4

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)	Chapter 7
WINSTAR COMMUNICATIONS, INC., <i>et al.</i>)	Case No. 01-1430 (JCA)
Debtor)	(jointly administered)

**DECLARATION OF JERRY W. HOGGE IN SUPPORT OF MOTION BY
WINSTAR HOLDINGS, LLC TO ENFORCE INJUNCTION AGAINST STOPPING
SERVICE TO THE DEBTORS BEFORE THE CUTOFF DATE**

JERRY W. HOGGE DECLARES:

1. I am Vice President of Winstar Government Solutions. I am responsible for managing the government services provided by the Debtors in these cases. Winstar Holdings LLC manages those services.

2. The Debtors provide direct inward dialing (DID) to 50,022 Government users (i.e., telephone numbers) utilizing over 7,576 lines. Those customers include users in the Air Force; the Army; the Bureau of Alcohol, Tobacco and Firearms; the Coast Guard; the Customs Service; the Department of Defense; the Department of Justice; the Federal Aviation Administration; the FBI; the General Services Agency, federal courthouses; the Marshals Service; and many other agencies. These services are provided in Atlanta, Baltimore, Boston, Cincinnati, Dallas, Denver, Los Angeles, Miami, Minneapolis, New York City, Philadelphia, and St. Louis.

3. The Debtors offer two types of service: service using Winstar wireless technology (Type 1) and service over the circuits of an underlying carrier (Type 2). Type 1 customers comprise approximately 62% of the services provided by the Debtors; type 2 customers comprise the remaining 38% of those services. Because the entire Winstar network infrastructure is connected by high capacity circuits, the loss of underlying circuits can disable Type 1 service. And if the underlying carrier should unplug circuits, all of the Type 2 customers would lose service. For example, in Denver (Qwest territory), the Debtors provide Type 2 service to over 11,000 government telephone numbers (including the main Federal campus, serving numerous agencies).

I DECLARE under penalty of perjury under the laws of the United States that the foregoing is true to the best of my knowledge and belief. Executed this 17 day of April, 2002 at Orlando, Florida.

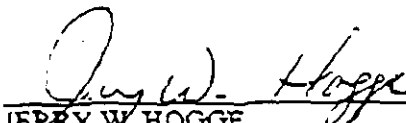

JERRY W. HOGGE

EXHIBIT 5

David A. Hill
Vice President & General Counsel



1 East Pratt Street, 8E/MSOE
Baltimore, MD 21202

Phone 410 393-7725
Fax 410 393-4078
Mobile 301 717-0576
david.a.hill@verizon.com

April 9, 2002

Hand Delivered

Felecia L. Greer
Executive Secretary
Public Service Commission
of Maryland
6 St. Paul Street
16th Floor
William Donald Schaeffer Tower
Baltimore, Maryland 21202

FILED
APR 09 2002
PUBLIC SERVICE COMMISSION
OF MARYLAND

Re: Application of Winstar Wireless, Inc. and Winstar Communications, LLC
For Authority to Discontinue Certain Telecommunications Services in
the State of Maryland

Dear Ms. Greer:

Enclosed please find an original and fourteen copies of the Opposition of Verizon Maryland Inc. to Application of Winstar Wireless and Winstar Communications, LLC for Authority to Discontinue Certain Services in the State of Maryland.

Very truly yours,

Enclosures

DAH/mlw

cc: Chairman Catherine I. Riley
Commissioner Claude M. Ligon
Commissioner J. Joseph Curran, III
Commissioner Gail C. McDonald
Commissioner Ronald A. Guns
Gregory V. Carmean, Executive Director
Don Laub, Director
Anthony Myers, Assistant Executive Director
Kimberly A. Bradley
Jean L. Kiddoo, Esq.
Brian M. McDermott, Esq.

**BEFORE THE
MARYLAND PUBLIC SERVICE COMMISSION**

In the Matter of the Application of Winstar)
Wireless, Inc. and Winstar Communications,)
LLC)
) Case No.
For Authority to Discontinue Certain)
Telecommunications Services in the State of)
Maryland)

**OPPOSITION OF VERIZON MARYLAND INC. TO APPLICATION OF WINSTAR
WIRELESS AND WINSTAR COMMUNICATIONS, LLC FOR AUTHORITY TO
DISCONTINUE CERTAIN SERVICES IN THE STATE OF MARYLAND**

Verizon Maryland Inc. ("Verizon") opposes the application of Winstar Wireless, Inc. ("Old Winstar") and Winstar Communications LLC ("New Winstar") for Authority to Discontinue Certain Telecommunications Services in the State of Maryland ("Application").¹ The applicants seek to (1) continue the operations of Old Winstar without any interruption of service to Old Winstar's current customers by having the Commission transfer Old Winstar's assets to New Winstar and concurrently (2) avoid assuming and assigning Old Winstar's contracts or service arrangements with Verizon to New Winstar.² While the Applicant's seek expedited approval of the Application to avoid any service disruptions to existing customers of Old Winstar, there are disputed material facts with regard to New Winstar's ability to continue to provide uninterrupted service to Old Winstar's customers as well as its financial ability to meet its ownership obligations. Moreover, because the contracts and service arrangements must be assumed and assigned from Old to New Winstar before any transfer of assets can occur,³ the

¹ Verizon was not served with a copy of the Application and learned of the Application from a review of the Commission's website on April 9, 2002.

² Old Winstar and certain of its affiliates filed for bankruptcy on April 18, 2001 under Chapter 11 of the United States Bankruptcy Code. The court approved a transaction under which Winstar Holdings, LLC ("WHL") agreed to acquire the assets of Winstar Communications, Inc. ("WCI"). WHL owns New Winstar and is 95 percent owned by IDT Advanced Communications Services, LLC, which is wholly owned by IDT Corporation. WCI owns WCI Capital Corporation, which wholly owns Old Winstar.

³ The date by which Old Winstar needed to assume its contracts in the bankruptcy proceeding was March 25, 2002; unless assumed, the contracts are deemed rejected. Instead of assuming the contracts, Old Winstar filed a motion to

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Commission should not approve the applicants' plan since it violates the United States Bankruptcy Code and Verizon's tariffs.

I. OLD WINSTAR MUST ASSUME AND ASSIGN ITS VERIZON CONTRACTS AND SERVICE ARRANGEMENTS TO NEW WINSTAR TO TRANSFER THE SERVICES VERIZON PROVIDES UNDER THEM FROM OLD TO NEW WINSTAR

The "assets" that the applicants seek to have transferred are circuits and other services and arrangements that Old Winstar purchases from Verizon under agreements and through tariffs. As of March 31, 2002, Old Winstar owed Verizon approximately \$496,000. For any service to be transferred from Old to New Winstar, each contract and arrangement must be assumed and assigned by Old Winstar to New Winstar and the debts owed thereunder paid.⁴ That is not what the applicants propose to do. Indeed, Old Winstar has not sought to assume or assign any of its contracts or service arrangements with Verizon. New Winstar has stated that it intends to enter into new arrangements with Verizon.⁵ Instead, New Winstar has moved to adopt Verizon's interconnection agreement with BTI in Maryland for all of its states. Contrary to their claims, the applicants' actions will result interruptions of service to their customers.

If the current contracts and arrangements are not assumed and assigned, they will be cancelled. The circuits and other facilities used to provide those services will revert back to Verizon's inventory for use by other customers. If New Winstar places new orders or seeks new arrangements, those requests will be handled in order. During that time, there will be no service to New Winstar. It is precisely this potential result that prompted the Massachusetts Department of Telecommunications and Energy ("MDTE") to oppose the debtors' motion to reject certain

extend the time by which it had to assume the contracts or have them deemed rejected to September 25, 2002. Verizon will be filing an opposition to the motion.

⁴ Each service arrangement forms a separate contract that must be assumed and assigned.

⁵ Old Winstar has not assumed the service arrangements for those services, nor have the past due amounts under those arrangements been paid. Therefore, no transfer can occur.

special access tariffs with Verizon in the bankruptcy proceeding involving Net2000.⁶ As the MDTE noted, if the special access tariff arrangements are rejected the circuits will be disconnected:

Once a circuit is disconnected, it goes back into Verizon's inventory, and is assigned on a first-come, first-served basis to the next customer in line for facilities. If a circuit serving a former Net2000 customer is disconnected, that customer will have to go to the end of the line for new facilities before having its telecommunications service restored. The business customers currently served via those circuits will lose voice and data service for an indeterminate period of time, and may suffer an incalculable loss of both revenue and reputation, a loss for which they may never be made whole. Opposition of MDTE at 2.

What the Applicants seek to do is to enjoy the full benefit of Old Winstar's contracts and service arrangements with Verizon while completely avoiding the liability that Old Winstar has accrued thereunder. The only way to transfer the service arrangements and ensure that service continues without interruption is for Old Winstar to assign its contracts and service arrangements to New Winstar. In order for those contracts and arrangements to be assumed and assigned, they must be brought current and fully paid and Verizon must receive adequate assurances that future payments will be made. The Joint Applicants have not disclosed to the Commission that their failure to take these actions will cause the very service disruptions they purportedly seek to prevent.

Verizon and its customers have a substantial interest in this proceeding. To the extent Verizon cannot collect the money it is owed by Old Winstar, it will need to recover that bad debt in its telecommunications service rates, to the detriment of subscribers to those services.

Under COMAR 20.07.04.01, New Winstar must demonstrate that it has the financial capability to maintain service and to meet its ownership obligations. (See Maryland Telecommunications Staff Application for Operating Authority at section 12) The Applicants have failed to make the requisite showing of financial ability to take on Old Winstar's obligations and have misled the Commission with regard to their ability to transfer Old Winstar's customers to New Winstar without disruption.

⁶ *In re: Net2000, Inc., et al.*, (Bankr. D. Del. 2001) (Case No. 01-11324 (MFW)).

Verizon understands that the Applicants have informed the Commission that they intend to discontinue certain telecommunications services in Maryland. (Application at 5) However, they have not sought to cancel the certificates to be transferred and New Winstar will still provide local resale services and long distance services. (*Id.*) So the notification of discontinuation of some services does not affect the rationale underlying Verizon's Opposition. The fact remains that a certificate transfer is contemplated from a company that left the market owing substantial uncured debt to Verizon, with no assurance that the transferee will not do the same. In fact, in light of the Applicants' stated possibility that additional services may be discontinued (Application at fn 5), it is critically important for the Commission to assure that the new certificated entity can and will fulfill its ownership obligations, including the payment of outstanding debts and charges for services rendered going forward.

For all the reasons discussed herein, Verizon asks the Commission to affirmatively condition the transfer of Old Winstar's operation to New Winstar on the following actions:

1. New Winstar must assume Old Winstar's indebtedness to Verizon.
2. New Winstar shall deposit into an escrow account an amount equal to the last six months billings from Verizon to Old Winstar, from which Verizon shall be able to draw should New Winstar fail to make any payment to Verizon as it becomes due; and
3. Every contract between Verizon and New Winstar shall include a provision that Verizon has the unilateral right to terminate the contract upon thirty days' written notice if New Winstar fails to make any payment as it becomes due.

These second and third remedies shall be cumulative and Verizon's ability to draw upon the bond for payment shall not be considered a cure of any failure to pay on the part of New Winstar. In other words, if New Winstar fails to make any payment when it becomes due, Verizon shall be able to draw upon the bond for payment and terminate the contract.

Verizon does not believe any hearing is necessary for the Commission to impose these conditions. However, if the Commission wishes to examine the relevant facts in greater detail, then Verizon requests initiation of a formal evidentiary proceeding.

Respectfully submitted



David A. Hill
Verizon Maryland Inc.
1 East Pratt Street
Baltimore, Maryland 21202
(410) 393-7725

Counsel for Verizon Maryland Inc.

April 9, 2002

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of April, 2002, a copy of the foregoing Opposition of Verizon Maryland Inc. to Application of Winstar Wireless and Winstar Communications, LLC for Authority to Discontinue Certain Services in the State of Maryland was served on the Public Service Commission of Maryland by hand and on Kimberly A. Bradley, Jean L. Kiddoo, Esq. and Brian M. McDermott, Esq. by facsimile.



David A. Hill

David A. Hill
Vice President & General Counsel



1 East Pratt Street, 6EASC6
Baltimore, MD 21202

Phone 410 393-7725
Fax 410 393-4273
Mobile 301 717-0576
david.a.hill@verizon.com

April 9, 2002

Hand Delivered

Felecia L. Greer
Executive Secretary
Public Service Commission
of Maryland
6 St. Paul Street
16th Floor
William Donald Schaeffer Tower
Baltimore, Maryland 21202

FILED

APR 09 2002

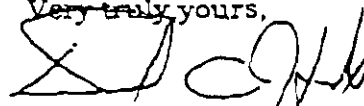
PUBLIC SERVICE COMMISSION
OF MARYLAND

Re: Application of Winstar Wireless, Inc. and Winstar Communications, LLC
For Authority to Discontinue Certain Telecommunications Services in
the State of Maryland

Dear Ms. Greer:

Enclosed please find an original and fourteen copies of revised page 2 of the Opposition of Verizon Maryland Inc. to Application of Winstar Wireless and Winstar Communications, LLC for Authority to Discontinue Certain Services in the State of Maryland, which changes the amount owed Verizon from approximately \$496,000 to approximately \$965,000.

Very truly yours,



Enclosures

DAH/mlw

cc: Chairman Catherine I. Riley
Commissioner Claude M. Ligon
Commissioner J. Joseph Curran, III
Commissioner Gail C. McDonald
Commissioner Ronald A. Guns
Gregory V. Carmean, Executive Director
Don Laub, Director
Anthony Myers, Assistant Executive Director
Kimberly A. Bradley
Jean L. Kiddoo, Esq.
Brian M. McDermott, Esq.

Commission should not approve the applicants' plan since it violates the United States Bankruptcy Code and Verizon's tariffs.

L OLD WINSTAR MUST ASSUME AND ASSIGN ITS VERIZON CONTRACTS AND SERVICE ARRANGEMENTS TO NEW WINSTAR TO TRANSFER THE SERVICES VERIZON PROVIDES UNDER THEM FROM OLD TO NEW WINSTAR

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If the current contracts and arrangements are not assumed and assigned, they will be cancelled. The circuits and other facilities used to provide those services will revert back to Verizon's inventory for use by other customers. If New Winstar places new orders or seeks new arrangements, those requests will be handled in order. During that time, there will be no service to New Winstar. It is precisely this potential result that prompted the Massachusetts Department of Telecommunications and Energy ("MDTE") to oppose the debtors' motion to reject certain

extend the time by which it had to assume the contracts or have them deemed rejected to September 25, 2002. Verizon will be filing an opposition to the motion.

⁴ Each service arrangement forms a separate contract that must be assumed and assigned.

⁵ Old Winstar has not assumed the service arrangements for those services, nor have the past due amounts under those arrangements been paid. Therefore, no transfer can occur.

EXHIBIT 6